

**DEPARTMENT OF HEALTH AND FAMILY SERVICES  
DIVISION OF HEALTH CARE FINANCING  
ADMINISTRATOR'S MEMO SERIES**

**NOTICE:** 05-03

**DATE:** 2/1/05

**DISPOSAL DATE:** Ongoing

**RE:** Wisconsin Funeral and  
Cemetery Aids Program

**To:** County Departments of Human Services Directors  
County Departments of Social Services Directors  
Tribal Chairpersons/Human Services Facilitators  
Tribal Economic Support Directors  
W-2 Agency Directors

**From:** Mark B. Moody  
Administrator  
Division of Health Care Financing

**PURPOSE**

The purpose of this memorandum is to inform counties and tribes of several significant policy and process changes related to the Wisconsin Funeral and Cemetery Aids Program, or WFCAP. These changes will take effect on February 14, 2005 and are documented in the Wisconsin Funeral and Cemetery Aids Program manual. The WFCAP manual and other relevant materials can be accessed on-line at: <http://dhfs.wisconsin.gov/em/>

**BACKGROUND**

Under current statute (s. 49.785 Wis. Stats.), counties and tribal governing bodies are required, for certain public assistance recipients (e.g., W-2 paid placements, certain categories of Medicaid), to pay up to \$1,000 for cemetery expenses and up to \$1,500 for funeral expenses, when the estate of the recipient does not have sufficient funding and there are no other funding sources. Counties and tribes are not required to pay for any cemetery expenses if the total cemetery expense exceeds \$3,500. Likewise, counties and tribes are not required to pay for any funeral expenses, if the total funeral expenses exceed \$3,500. The Department is required to reimburse counties and tribes for all of their required costs under the statute. The program is funded entirely with state funds from the Income Maintenance (IM) Allocation.

To improve the administration of the current program, DHFS is implementing several non-budget policy and process changes effective February 14, 2005. Specifically, these changes are being made to achieve the following goals:

- ◆ Improved uniformity in program administration so that the same policies and procedures are applied statewide. This will allow all families and service providers (i.e., funeral homes, cemeteries and crematoriums) to be treated uniformly regardless of the county agency they are working with.

- ◆ Improved clarity of program requirements and state instructions. These clarifications address the questions most commonly raised by local program administrators about program requirements pertaining to eligibility, allowable services, verification and reimbursement.

## **CHANGES AND CLARIFICATIONS EFFECTIVE FEBRUARY 14, 2005**

All of the changes and clarifications contained in the attached WFCAP Manual are effective for WFCAP reimbursement requests received by the agency on or after February 14, 2005. The following describes the most significant of those changes and clarifications. These changes and clarifications do not include any revisions to the methodology used by the Department to reimburse agencies for required WFCAP expenses.

### **1. Eligible Populations**

Wisconsin law is clear about the populations eligible to receive WFCAP benefits. Not all Medicaid recipients qualify. The new policy language will more clearly identify populations eligible for WFCAP benefits so that only those who are truly eligible use the program.

### **2. Standard Claim Form**

Historically, agencies have developed their own reimbursement request forms, or have simply accepted reimbursement requests in any form submitted. This has been a major factor in the inconsistent application of program policy statewide.

To improve consistency in the administration of the program, DHFS has developed a standardized WFCAP claim form that all local agencies must use for processing claims. Agencies will be required to retain all WFCAP claims and any attachments submitted and must make them available to the Department upon request.

### **3. Reimburse Service Providers**

Agencies have routinely accepted reimbursement requests from families, estate representatives and service providers. This complicates reimbursement and allows for possible duplicate payment on reimbursement requests. DHFS is now limiting reimbursement to the provider of services. This practice is consistent with reimbursement processes for other Medicaid services and will simplify administration of this program.

### **4. "Total Expenses"**

Section 49.785 Wis. Stats. refers throughout to "total funeral expenses" and "total cemetery expenses," but does not define the terms. These terms are important because they reference the expenses that must be counted toward the \$3,500 total expense limits.

To bring consistency to the program with regard to these terms, the new policy clarifies what expenses will count against the total expense limits. "Total expenses" are defined as the actual charges, not estimates, associated with all of the goods and services sold by the funeral home, cemetery or crematorium.

## **5. “Funeral Expense” and “Cemetery Expense”**

While the “total expense” definition above addresses whether an expense should be counted against either of the total expense limits, it does not address whether to count it as a funeral expense or a cemetery expense.

Current policy regarding this issue is based on a 1990 Attorney General (AG) opinion (79 Op. Att’y Gen. 164, 1990) and remains unchanged. In essence, the AG concludes that the good or service is categorized based on who sold it, not the good or service itself.

The Department will continue to recognize one exception to this policy. Many small, rural cemeteries rely on a funeral home to provide certain goods and services on their behalf (e.g., the outer burial vault, opening and closing of the grave, etc). Under this circumstance, and only this circumstance, the good or service should be counted as a cemetery expense, even though it is provided by a funeral home.

## **6. Cash Advances for Cemetery Expenses**

Funeral homes routinely cash advance cemetery goods and services. If the funeral home does not require reimbursement in an amount that exceeds the advance, then none of the associated expenses are counted against the \$3,500 total funeral expense limit. This policy is being revised to clarify that cemetery goods/services cash advanced by the funeral home should still be counted against the \$3,500 total cemetery expense limit, since such goods/services are sold by the cemetery.

## **7. Special Circumstances**

The Department’s policy will be revised to establish a 10 day timeline for the Department to provide agencies with a decision relative to special circumstances that may justify exceeding statutory reimbursement limits.

## **8. Estate Verification**

Currently, the extent to which agencies pursue verification of the estate and other funding sources varies. To improve consistency in the method by which agencies verify the amount available from the estate or other sources, we are requiring that the new claim form be signed by both the service provider(s) and the executor, or family representative. In signing this form, the provider certifies that all funds to which the provider is entitled as the beneficiary of a pre-arranged burial agreement are included in the “Paid by Estate/Other” amount. The executor, or family representative, certifies that the “Paid by Estate/Other” amount represents the total funds available from the estate and other funding sources to cover funeral and cemetery expenses of the decedent.

To evaluate the effectiveness of this approach to verification, the Department will periodically pull a random sample of claim forms and determine whether the information provided on the forms is consistent with information available in the case file or other third party sources.

## **9. Cash Advance Verification**

“Cash advance” is a statutorily defined term [s. 445.125(3m)3. Wis. Stats.] and means that the funeral home has actually obtained goods or services from a third party and paid for those goods/services on behalf of, and subject to reimbursement from, the family. To ensure that cash advances are accounted for according to the criteria in statute, the new processes for submitting and reimbursing claims includes a requirement for funeral homes to verify all cash advance items.

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